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Copy 3 of 6

NEGOTIATED CONTRACT

Contract No.
File No. JM-1930

25X1

Hughes Aircraft Company
Florence Avenue and Teale Street
Culver City, California

Contract For: See Schedule

Amount: See Schedule

Mail Invoices to: Contracting Officer

Performance Period: See Schedule

This contract is entered into by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer, executing this contract, and the above-named Contractor which is a corporation incorporated in the State of Delaware, hereinafter called the Contractor.

The parties hereto agree that the Contractor shall furnish the facilities and deliver all supplies and perform all the services set forth in the attached schedule issued hereunder, for the consideration stated herein.

The rights and obligations of the parties to this contract shall be subject to and governed by the attached Schedule and General Provisions which together with this signature page and the accompanying Certificate comprise this Contract No. JM-1930. In the event of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of
9 APR 1962, 1962.

HUGHES AIRCRAFT COMPANY

THE UNITED STATES OF AMERICA

BY BY TITLE EXECUTIVE VICE
PRESIDENT

Contracting Officer

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I, _____, certify that I am the
Secretary of the Corporation named as Contractor
 herein; that _____ who signed this
 contract on behalf of the Contractor was then Executive Vice President
 of said Corporation; that said contract was duly signed for and in behalf of
 said Corporation by authority of its governing body, and is within the scope
 of its Corporate powers.

_____ (Corporate Seal)

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SCHEDULE

PART I - STATEMENT OF WORK

The Contractor shall accomplish the work set forth in Exhibit "A" attached hereto and made a part of this contract.

PART II - DELIVERY

The Contractor shall perform the work set forth in Exhibit "A" in accordance with the schedule set forth therein and make delivery of the data at the required times.

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PART III - ESTIMATED COST AND FIXED FEE

A. The total estimated cost for the performance of this contract, exclusive of fixed fee, is

B. The total fixed fee for the performance of this contract

7%

RW

PART IV - PAYMENT

A. In accordance with the provision of Clause 4 of the General Provisions of this contract entitled "Allowable Cost, Fixed Fee, and Payment," the Government shall pay the Contractor, as full compensation for the performance of this contract, the fixed fee specified in PART III, above, and the Allowable Cost incurred by the Contractor in performance of this contract and accepted by the Contracting Officer as chargeable in accordance with "Contract Cost Principles, Section XV, Part 2, Armed Services Procurement Regulations," such determination being subject to the provisions of this contract entitled "Disputes." It being understood and agreed without limiting

the generality of the foregoing, that the following shall be considered as allowable items of costs incurred or paid by the Contractor, when necessary and required, and used for the performance of work hereunder:

(1) These costs as described in Clause 39 of Section A of the General Provision hereof, entitled "Allowable Cost."

B. For purposes of billing current cost incurred under the contract, provisional payment on account of all overhead will be made on the basis of billing rates acceptable to the cognizant military audit agency pending establishment of final overhead rates in accordance with Clause 41 of Section A General Provisions hereof entitled "Negotiated Overhead Rates."

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C. Overhead Periods. The periods as contemplated by paragraph (b) of Clause 41, Section A, General Provisions hereof, entitled "Negotiated Overhead Rates" shall be for the periods of twelve months and the first period shall extend from 1 January 1962 through 31 December 1962.

D. Contractor shall be paid the fixed fee stated in PART III hereof in installments based on allowable costs incurred by the Contractor and approved by the Contracting Officer computed at the same ratio that the total fixed fee stated herein is to the total estimated cost stated herein, subject, however, that after payment of ninety percent (90%) of the fixed fee set forth in PART III hereof. further payment on account of the fixed

less, shall have been set aside. Contractor shall be paid one hundred percent (100%) of all allowable costs by progress payments on vouchers submitted monthly or more often to the Contracting Officer.

PART V - ANTICIPATORY COSTS

All costs which have been incurred by the Contractor on or after 26 Feb 1962, in anticipation of and prior to the signing of this contract, and which, if incurred after the signing of this contract, would have been considered as allowable costs hereunder, will be considered to have been incurred under this contract and shall be payable hereunder.

PART VI - WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS

Notwithstanding the requirements of any of the General Provisions of this contract to the contrary, whenever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters, the Contractor shall call the attention of the Contracting Officer to such conflict and the Contracting Officer or his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing, except that the approval by the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clauses of the General Provisions in conflict with the stipulations of such subcontract.

PART VII - SPECIAL SECURITY RESTRICTIONS

The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed to reveal such information by the Contracting Officer or by his duly authorized representative for security matters, and, notwithstanding any clause or section of this contract to the contrary, the Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

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PART VIII - OVERTIME

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Contractor is authorized to perform such overtime work as is necessary to meet the schedules set forth in Exhibit "A" to this contract.

PART IX - CONTRACTOR INTER-RELATIONSHIP

It is recognized and agreed that information must be provided to and obtained from other participating contractors in the performance of the work set forth under Exhibit "A". The Air Vehicle Contractor will decide on the appropriateness of data to be exchanged in the event of conflict between other contractors.

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GENERAL PROVISIONS

The following specified clauses of Basic Agreement No. dated 6 September 1961 are hereby incorporated herein by reference with the same force and effect as though fully set forth herein.

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Section A

All Clauses are incorporated except paragraph (c) of Clause A.4, Allowable Cost, Fixed Fee, and Payment.

Section B

- B.1 Patent Rights
- B.5 Data
- B.7 Authorization and Consent
- B.18 Ammunition and Explosive Material Safety
- B.20 Safety and Accident Prevention
- B.21 Notice of Radioactive Materials
- B.22 Preparation of Dangerous Materials for Shipment

Section D

All sections.

EXHIBIT "A"

CONTRACT NO.

JM-1930

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- A. Contractor shall perform the work set forth below and furnish the data and reports as set forth herein.

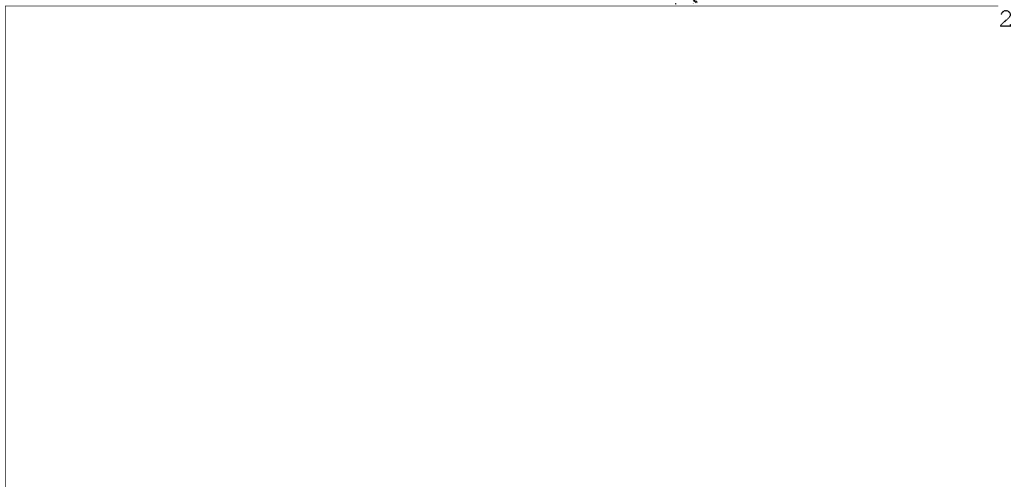
Item I - General

- A. The Contractor shall furnish engineering services and materials as necessary to accomplish an engineering design feasibility study for the RS missile, airborne computer, missile auxiliaries, associated displays and controls and additionally, to prepare an integrated design for the armament system within the general ground rules and limitations as specified during the week of 11 February 1962, or as may be subsequently modified.
- B. This effort will result in the submittal of a preliminary design no later than 1 June 1962 for: 1) the RS missile development, 2) the development of the airborne computer, missile auxiliaries and associated displays and controls, 3) the integration of the armament system.
- C. The preliminary design document shall include, but not be limited to, the following items:
1. RS missile engineering design study and performance estimates
 2. Armament system design, integration and performance
 3. Ground support equipment concept for armament and system
 4. Development program plan and schedule
 5. Management Approach

Contractor proposes to manage the RS development program within the AAL of the ASD add to use the management techniques which have been developed and applied for the Standard System project. Program manager will be Maximum use will be made of the existing management structure consistent with non-interference to the present program. Thus, requests for additional clearances will be minimized. In the systems engineering area, a group of key personnel will be integrated into the organizational structure to perform the systems integration task. Additionally as systems and physical interface activity phase out for the current program, personnel within the existing systems organization will be redirected to perform similar tasks as may be necessary for the RS system on a non-interference basis.

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During the 90-day study period, primary technical responsibility will be assigned as follows:



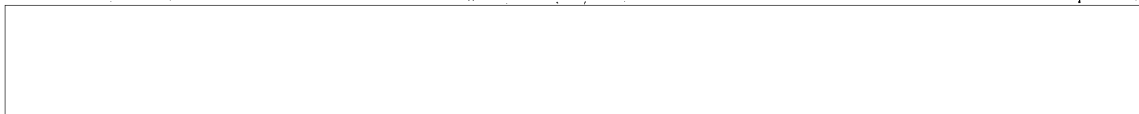
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Over-all project controls, security and liaison with the customer and other companies will be the responsibility of [redacted] within the framework of the existing black program.

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6. Security Concept

Contractor proposes to conduct the RS program under the same general security arrangement as that being followed for the current standard system program. A nucleus of cleared personnel will manage the program and will perform the over-all system engineering and analysis effort. This core of personnel will break out the total program into a number of compartmentalized tasks which individually will be predominantly clean from a security point of view. These clean tasks will then be performed by uncleared personnel throughout the laboratories. A few tasks of an integration or over-all analytical nature cannot be sanitized. These tasks will be accomplished by cleared personnel within the closed area.



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7. Government Furnished Facilities and Equipment

Contractor submits that no additional brick-and-mortar type facilities will be required for the RS program. Machinery and standard test equipment requirements will be nominal and will be consistent with current contractual practice. Contractor estimates that such requirements will not exceed [redacted] per year.

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8. Development and test costs

Page Denied

Next 1 Page(s) In Document Denied

B. The work called for under paragraph A above shall be accomplished and the data or services furnished in accordance with the following:

Items I, II, III, and IV - In accordance with the attached schedule identified as Exhibit "B"

Item IV - In accordance with the provision of Item IV.

Page Denied